



2Q24 RESULTS PRESENTATION

GDAŃSK, 26 SEPTEMBER 2024

RESERVED

CROPP

HOUSE

MOHITO

sinsay

DISCLAIMER

This presentation (the “Presentation”) was prepared by LPP SA (the “Company”) with due care. Still, it may contain certain inconsistencies or omissions. The Presentation does not contain a complete or thorough financial analysis of the Company and does not present its standing or prospects in a comprehensive or in-depth manner. Therefore, anyone who intends to make an investment decision with respect to the Company should rely on the information disclosed in the official reports of the Company, published in accordance with the laws applicable to the Company. This Presentation was prepared for information purposes only and does not constitute an offer to buy or sell any financial instruments.

The Presentation may contain 'forward-looking statements'. However, such statements cannot be treated as assurances or projections of any expected future results of the Company. Any statements concerning expectations of future financial results cannot be understood as guarantees that any such results will actually be achieved in future. The expectations of the Management Board are based on their current knowledge and depend on many factors due to which the actual results achieved by the Company may differ materially from the results presented in this document. Many of those factors are beyond the awareness and control of the Company or the Company’s ability to foresee them.

Neither the Company, nor its directors, officers, advisors or representatives of any such persons are liable on account of any reason resulting from any use of this Presentation. Additionally, no information contained in this Presentation constitutes any representation or warranty of the Company, its officers or directors, advisors or representatives of any of the above persons. The Presentation and the forward-looking statements speak only as at the date of this Presentation. These may not be indicative of results or developments in future periods. The Company does not undertake any obligation to review, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this Presentation.

The information contained in this material constitutes a translation of the original content prepared in Polish, and in the event of any discrepancies between the English and Polish versions, the Polish version is the binding and effective version.

SUMMARY 2Q24

- Very good response to the summer collections by customers in Sinsay and House brands.
- PLN 5.0bn revenue in the second quarter, up by 9.4% YoY (+13.2% in constant currency). 17.5% YoY growth in offline sales and 12.0% YoY growth in online sales.
- Gross margin on sales 52.5% (+4.6 pp. YoY).
- YoY stable operating profit (EBIT) of PLN 611m.
- EBITDA of PLN 1.0bn in the quarter, up by 7.9% YoY.
- 122 new stores opened, including 109 dedicated to Sinsay brand.



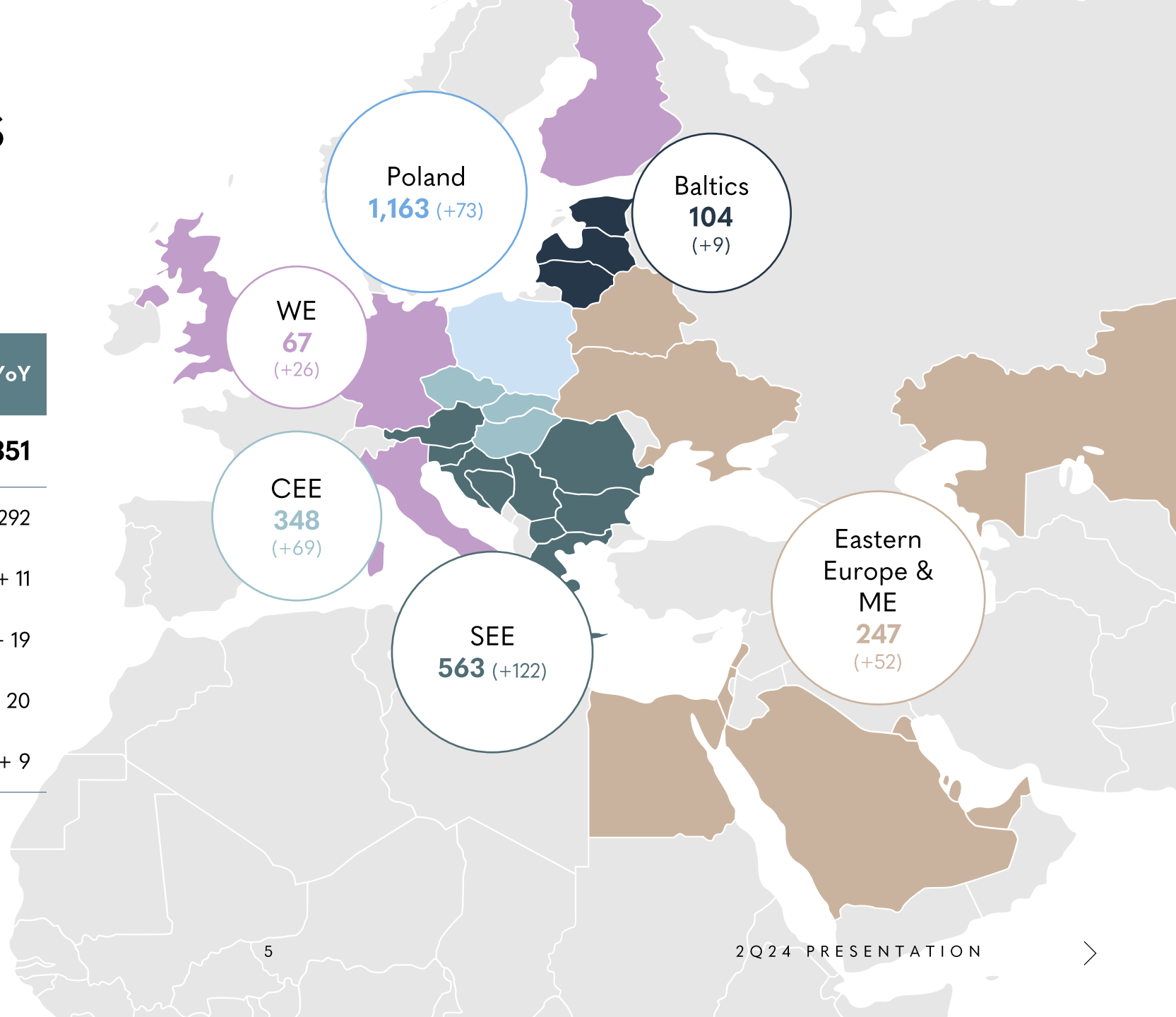
POSITIVE OUTLOOK FOR 3Q24

- The first Autumn/Winter 2024 collections were positively received by customers, resulting in a 32% YoY growth in constant currencies in the Group's omnichannel sales from 1 August to 20 September, compared to the previous year.
- Positive LFLs (+10%), the largest increases in House, Sinsay and Reserved.
- The August/September collections adapted to the changing weather. A growth in purchases of warmer clothes expected in October.
- Store openings forecast in the third quarter amounts to ca 140 new stores. Full year plan to open ca 700 stores for the whole of 2024 is being maintained.



ALMOST 2,500 STORES

As at 31.07.2024	No. of stores	YoY
LPP GROUP	2,492	+ 351
Sinsay	1,132	+ 292
Reserved	364	+ 11
Cropp	382	+ 19
House	381	+ 20
Mohito	233	+ 9



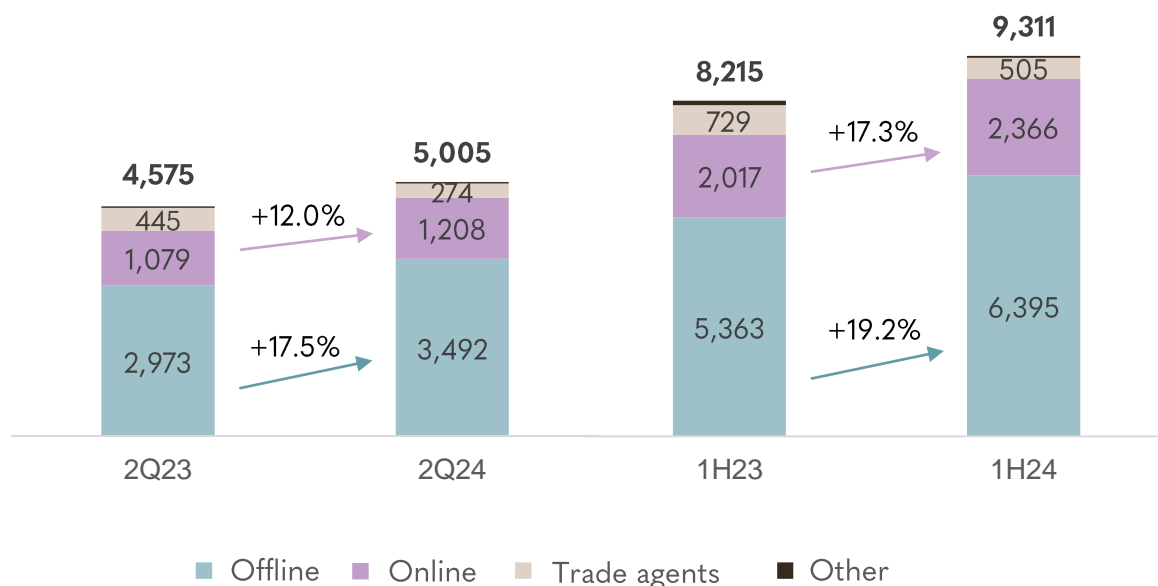
2Q24 FINANCIAL RESULTS



DOUBLE-DIGIT GROWTH IN OFFLINE AND ONLINE SALES

GROUP REVENUES

(PLN m)

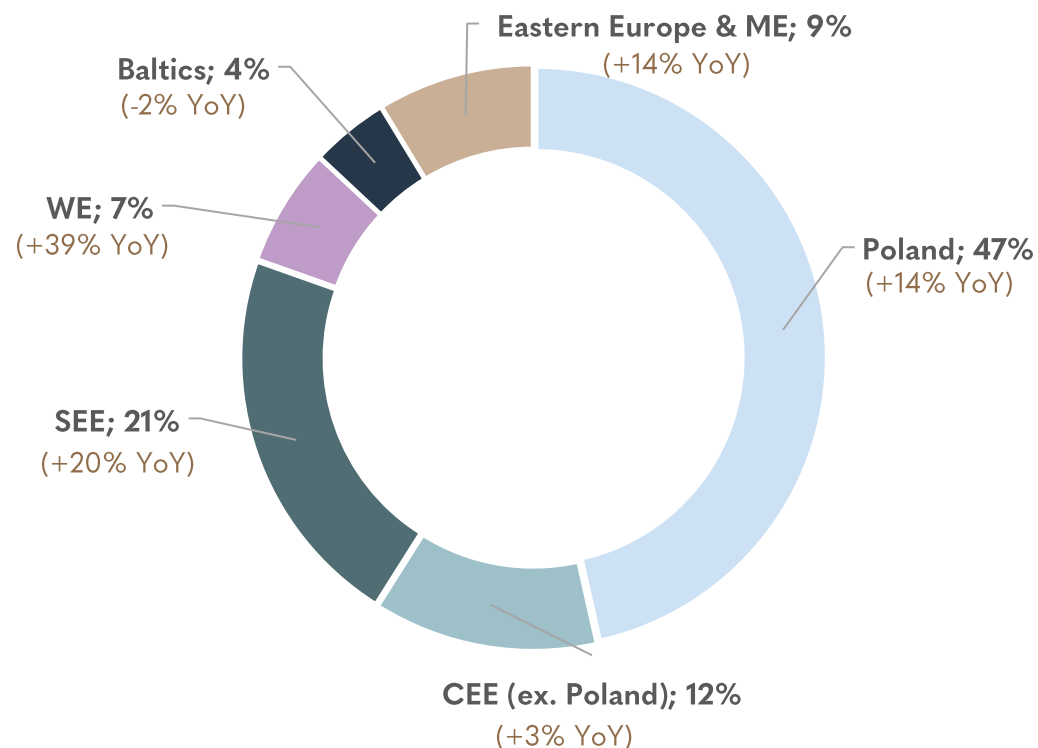


- In 2Q24, +17.5% YoY growth in offline sales due to 122 new store launches and positive LFLs in Sinsay and House.
- In 2Q24, +12.0% YoY growth in online sales driven by the development of mobile apps, a constant widening of online offer and higher YoY expenditure on performance marketing.
- Growth in the Group's sales revenue in 2Q24 by 9.4% YoY.

FOREIGN REVENUES HIGHER THAN REVENUES FROM POLAND

SHARE OF OMNICHANNEL SALES BY REGION IN 2Q24

(YoY sales dynamics)

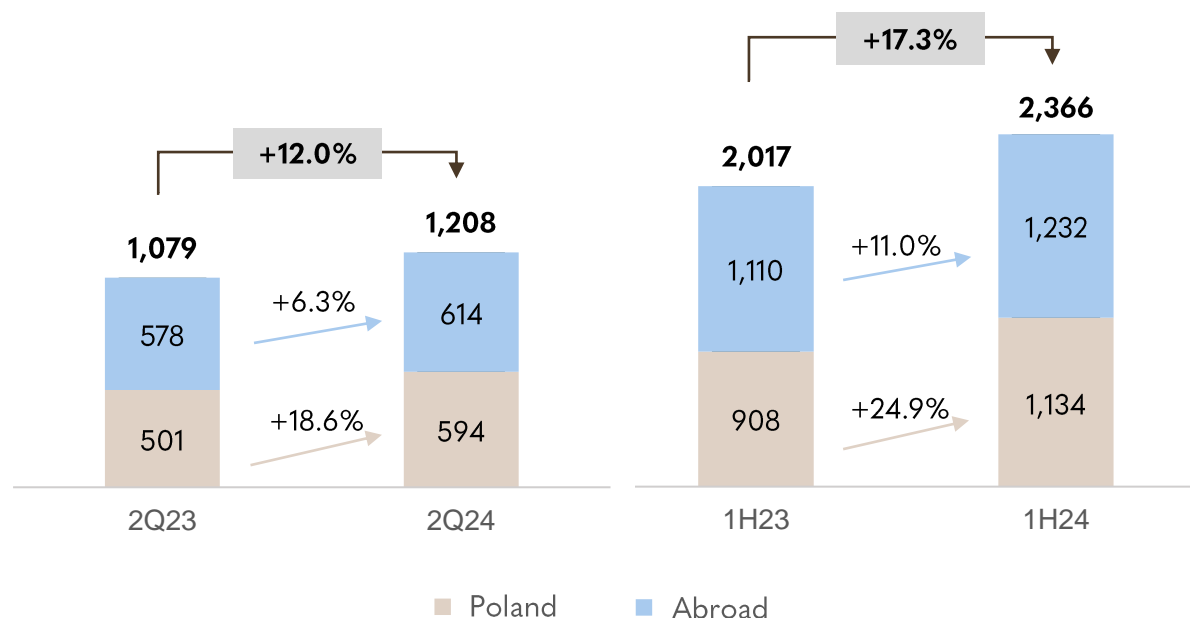


- In 2Q24, omnichannel sales on foreign markets were higher than in Poland and accounted for 53.5% of the Group's omnichannel sales.
- Double-digit revenue growth in 2Q24, both in Poland (+14.4% YoY) and abroad (+14.7% YoY) due to successful collections, improved consumer sentiment and the dynamic development of the store network.
- The highest revenues in 2Q24 outside Poland recorded in Romania, Ukraine and Czechia.

DOUBLE-DIGIT GROWTH IN ONLINE SALES

ONLINE BY REGION

(PLN m)



- In 2Q24, +12.0% YoY growth in online sales.
- In 2Q24, +18.6% YoY growth in online revenues in Poland driven by brand recognition and apps launched.
- Diversified sales dynamics in foreign markets. Largest increases in Germany, Serbia and Italy. Online sales supported by the online store opened in Bosnia and Herzegovina in 4Q23.
- Online sales in 2Q24 accounted for 27.0% of revenue from Poland (26.1% in 2Q23) and 24.1% of Group revenue (23.6% in 2Q23).

DYNAMIC GROWTH OF FLOORSPACE

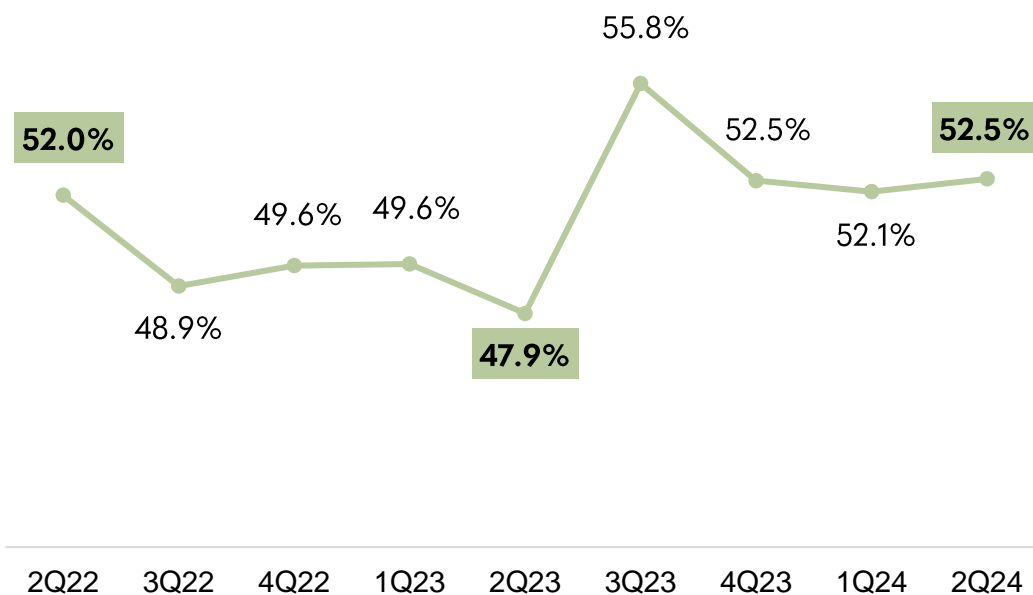
FLOORSPACE BY REGION

ths. m ²	2Q23	2Q24	YoY
LPP GROUP	1,826.7	2,165.4	18.5%
Poland	806.7	889.9	10.3%
CEE (ex. Poland)	251.3	310.8	23.7%
SEE	432.1	539.9	24.9%
WE	65.2	98.0	50.3%
Baltics	83.9	94.0	12.0%
Eastern Europe & ME	187.5	232.8	24.2%

- +10.3% YoY floorspace growth in Poland due to development in retail parks in smaller towns.
- Significantly higher floorspace growth outside the country (+25.0% YoY).
- The largest nominal increases in South-Eastern Europe (Romania, Bulgaria) and Central and Eastern Europe (Czechia, Hungary).

GROSS PROFIT MARGIN IMPROVEMENT

QUARTERLY GROUP GROSS PROFIT MARGIN



Gross profit margins in 3Q22 i 4Q22 restated as part of the PFSA recommendation.

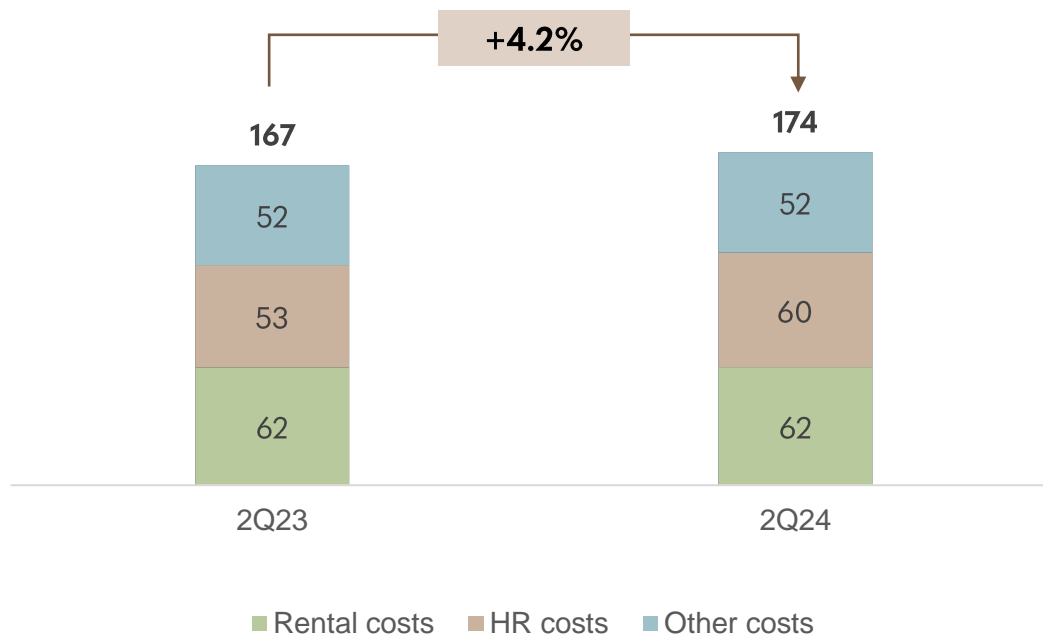
Gross profit margin on sales in 2Q24 higher by 4.6 pp. YoY due to:

- significantly lower purchase costs of collection,
- more favourable YoY US\$/PLN FX rate,
- smaller scale of promotional actions YoY.

STORE COSTS AFFECTED BY RISING WAGES

COST OF OWN STORES/ M²

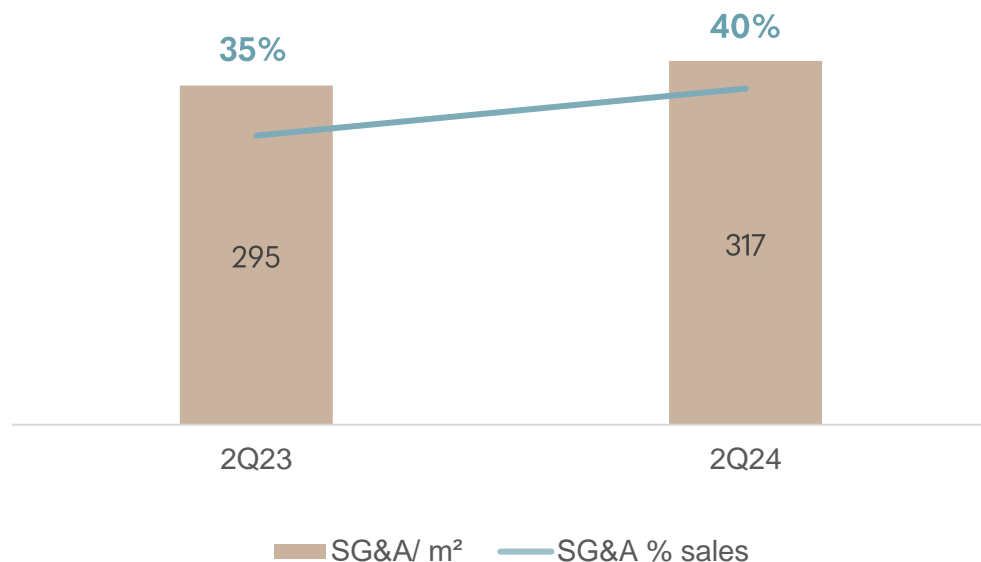
(IAS17)



- Stable YoY rental costs/ m² → higher number of Sinsay brand stores with lower rent opened, more favourable EUR/PLN exchange rate.
- YoY growth in personnel costs/ m² → significant YoY growth of minimum wage, remuneration review.
- Stable other costs/ m² YoY → optimisation of energy consumption and third-party service costs.

SG&A COSTS UNDER CONTROL

SG&A COSTS/ M² (IFRS16)



- 7.3% YoY increase in SG&A costs/ m² mainly due to:
 - higher YoY salary costs in traditional stores and new store openings,
 - launch of two more warehouses for e-commerce services,
 - YoY increase in transport costs (higher volume of goods),
 - higher YoY expenditure on performance marketing (low 2Q23 base).
- The share of SG&A costs in revenues increased from 35% in 2Q23 to 40% in 2Q24.

EBITDA OF PLN 1BN IN THE QUARTER

PLN m, IFRS16	2Q23	2Q24	YoY
Revenues	4,575.4	5,005.0	9.4%
Gross profit margin on sales	47.9%	52.5%	4.6pp.
SG&A costs	1,579.8	2,009.0	27.2%
Other operating activity	-7.1	-9.0	N/M
EBIT	607.0	611.0	0.7%
EBIT margin	13.3%	12.2%	-1.1pp.
Net financial activity	-40.8	-61.0	N/M
Net profit	441.5	443.0	0.3%
EBITDA	943.5	1,018.0	7.9%

- YoY sales increases due to good results in online and offline sales.
- Higher YoY gross profit margin on sales mainly due to: lower nominal collection purchase costs, favourable US\$/PLN exchange rate, lower scale of promotional activities.
- YoY increase in SG&A costs due to the low base in 2Q23 and the development of the store network. Increase in e-commerce costs (logistics and online marketing) and higher personnel costs in stores (an increase in minimum wage).
- EBIT of PLN 611m in 2Q24, stable YoY.

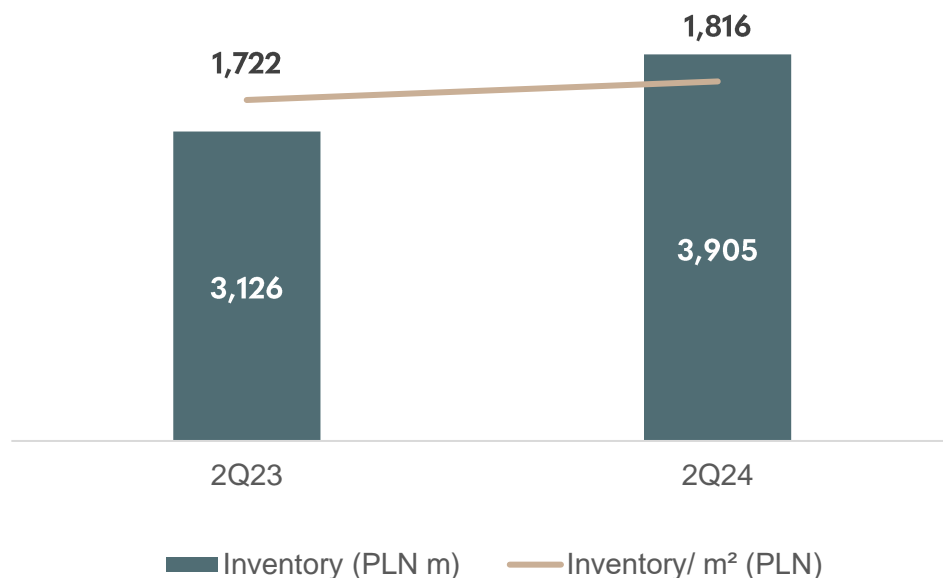
OVER PLN 1BN EBIT IN THE HALF YEAR

PLN m, IFRS16	1H23	1H24	YoY
Revenues	8,214.8	9,311.0	13.3%
Gross profit margin on sales	48.7%	52.3%	3.6pp.
SG&A costs	3,127.6	3,832.0	22.5%
Other operating activity	-35.0	-18.0	N/M
EBIT	837.7	1,022.0	22.0%
EBIT margin	10.2%	11.0%	0.8pp.
Net financial activity	-126.3	-90.0	N/M
Net profit	553.3	720.0	30.1%
EBITDA	1,494.4	1,813.0	21.3%

- Double-digit YoY revenue growths due to new store openings, positive comparable sales (LFLs) and YoY increases in online sales.
- Higher YoY gross profit margin on sales mainly due to: lower nominal collection purchase costs, favourable US\$/PLN exchange rate, lower scale of promotional activities and low base.
- YoY increase in SG&A costs due to the growth of the store network and a low base (considerable reductions in online store operating expenses in 1H23).
- EBIT in 1H24 reached over PLN 1bn, up +22.0% YoY.
- +30.1% YoY increase in net profit to PLN 720m.

INVENTORY AFFECTED BY DYNAMIC GROWTH

INVENTORY AND INVENTORY/ M²

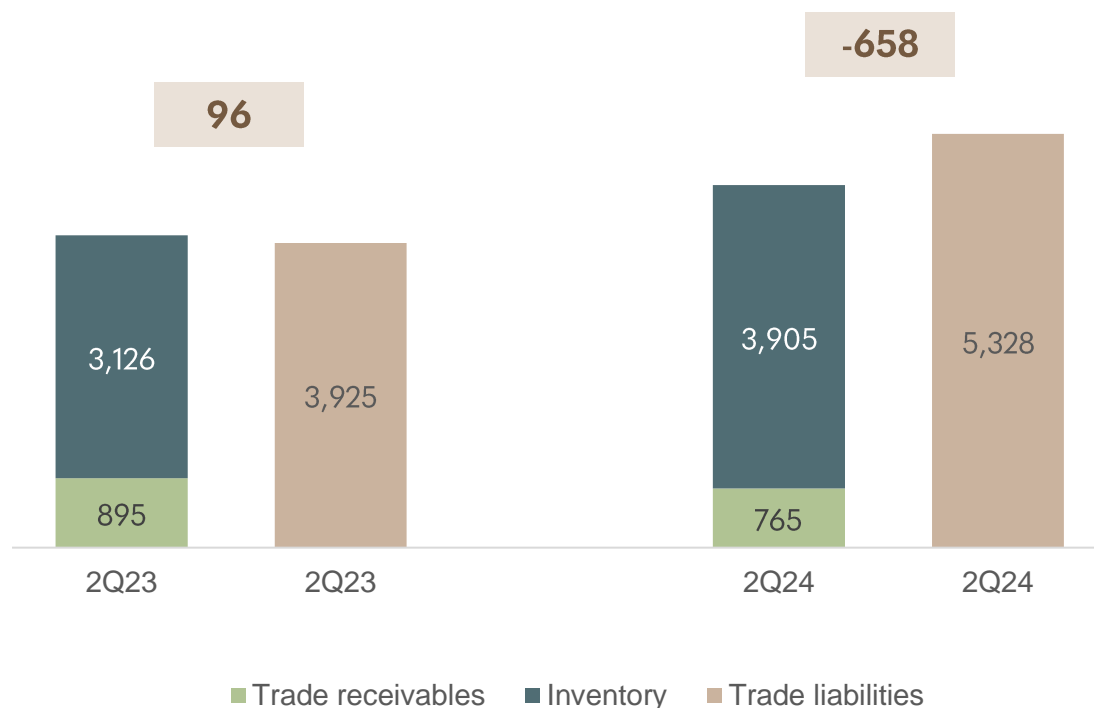


- 24.9% YoY increase in inventory and 5.5% YoY increase in inventory/ m² to PLN 1,816/ m² due to:
 - dynamic plans of Sinsay brand store openings in 2H24,
 - stocking of two new e-commerce warehouses.
- Inventory turnover in 2Q24 was 134 days (122 days in 2Q23).
- The Autumn/Winter 2024 collection accounted for almost 80% of the inventory, while Spring/Summer 2024 collections made up ca 15% (currently mostly sold out). The remaining part covers all-year models.

MORE FAVOURABLE WORKING CAPITAL

WORKING CAPITAL

(PLN m)

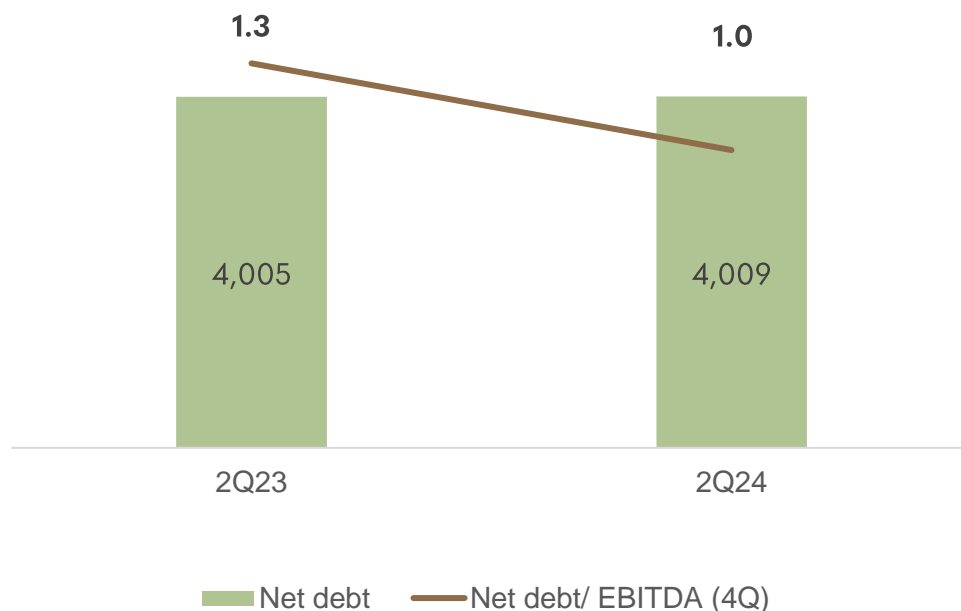


- More favourable YoY working capital due to significantly higher trade liabilities.
- Cash cycle at a favourable negative level of -35 days:
 - slower inventory turnover (from 122 to 136 days),
 - reduction of payment terms for receivables (from 18 to 15 days),
 - extension of payment terms for trade liabilities (from 150 to 185 days).

SAFE NET DEBT LEVEL

NET DEBT

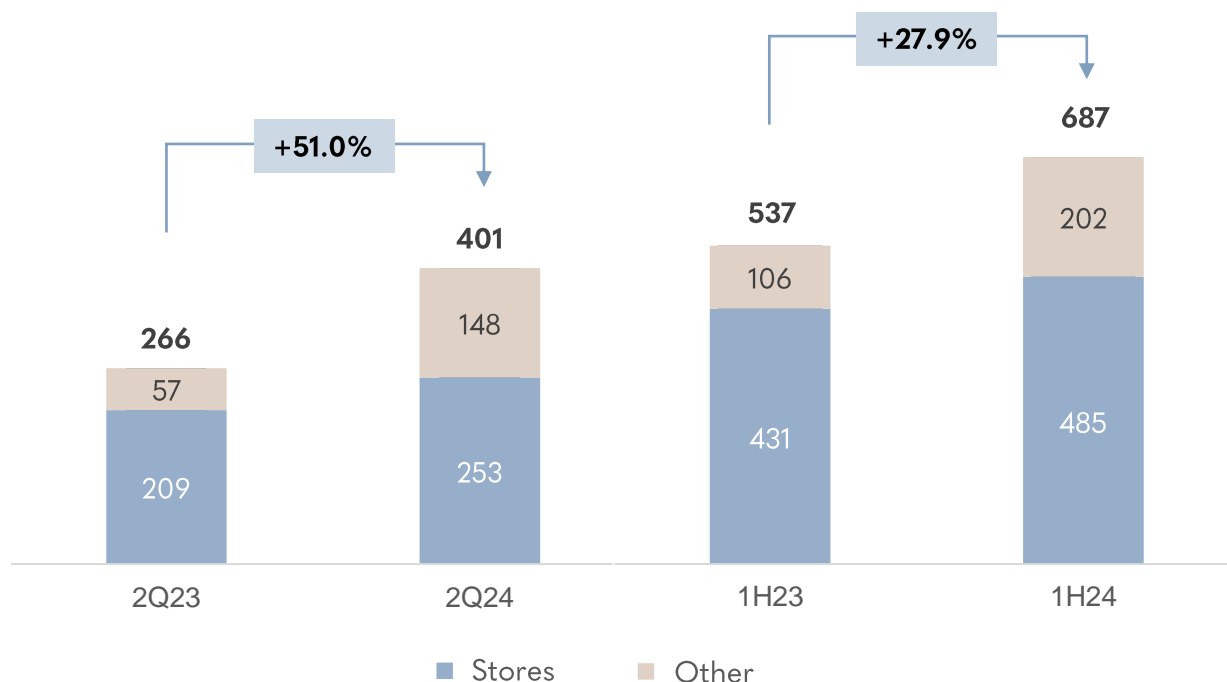
(PLN m, IFRS16)



- At the end of 2Q24, net debt under IFRS16 amounted to PLN 4.0bn due to:
 - lower YoY use of long-term bank loans at a level of PLN 0.5bn,
 - lower YoY use of short-term bank loans at a level of PLN 0.3bn,
 - bonds of PLN 0.3bn (repayable in December 2024),
 - higher YoY finance lease debt at PLN 4.4bn,
 - higher YoY cash levels of PLN 1.4bn.
- Net debt does not include PLN 0.8bn in money market funds at the end of 2Q24 (PLN 0.6bn in 2Q23).
- Use of reverse factoring amounted to PLN 3.0bn in 2Q24 vs. PLN 2.1bn in 2Q23.

INVESTMENTS IN LINE WITH THE PLAN

CAPEX (PLN m)



- In 2Q24, CAPEX amounted to PLN 401m, i.e. +51.0% YoY.
- Expenditure on stores amounted to PLN 253m due to dynamic openings of Sinsay brand stores.
- Expenditure on infrastructure and IT amounted to PLN 148m, mainly due to expansion of the DC in Brześć Kujawski and the equipment of the FC near Bydgoszcz.



CORPORATE EVENTS IN 2Q24

“BACK TO SCHOOL”

- Shopping of the Back to school collection spread over August and September due to the warm weather.
- Very good sales of transitional models (t-shirts, shorts, leggings, non-seasonal underwear) and low-season groups (trousers and jeans).
- High sales of licence models.
- Expected increase in purchase of warmer clothing (waistcoats, jackets, sweatshirts, jumpers) in October.

+30% YoY

Group sales
(Sinsay +46%
YoY),

+45% YoY

online

+25% YoY

offline

data for the period 19.08-22.09



POSITIVE RESPONSE TO AUTUMN COLLECTIONS IN RESERVED

- Very high interest in models with animal print. The trend well received both in casual and more elegant versions.
- Strong sales of the preppy collection, which combines timeless elegance with sports accents.
- Comparable store sales (LFLs) +9.7% and 30.5% YoY growth in online sales in the period from 1 August to 20 September 2024.



RESERVED DEBUT IN BAHRAIN

Opening of the first Reserved brand store in Bahrain in June 2024.

The store with the floorspace of 1,028 m² located in the Marassi Galleria centre.

Collections for women and men available on offer.

Further development of Reserved in the Middle East.
The 15th brand store in the ME region.



LAUNCH OF TWO WAREHOUSES FOR E-COMMERCE SERVICE

Bydgoszcz (Poland)

- The largest Fulfilled Center in the LPP Logistics network (Białe Błota commune in the Bydgoszcz district) with the floorspace of over 100,000 m².
- **Goal:** to increase operational capacity and improve order delivery in Poland and in Central Europe.

Bolintin-Deal (Romania)

- A warehouse with a floorspace of 40,000 m² located in the immediate vicinity of the distribution centre (Bolintin-Deal near Bucharest).
- **Goal:** to accelerate order fulfilment and increase operational capacity in the SEE region.



TECHNOLOGY AND ARTIFICIAL INTELLIGENCE AS A SUPPORT TO LOGISTICS

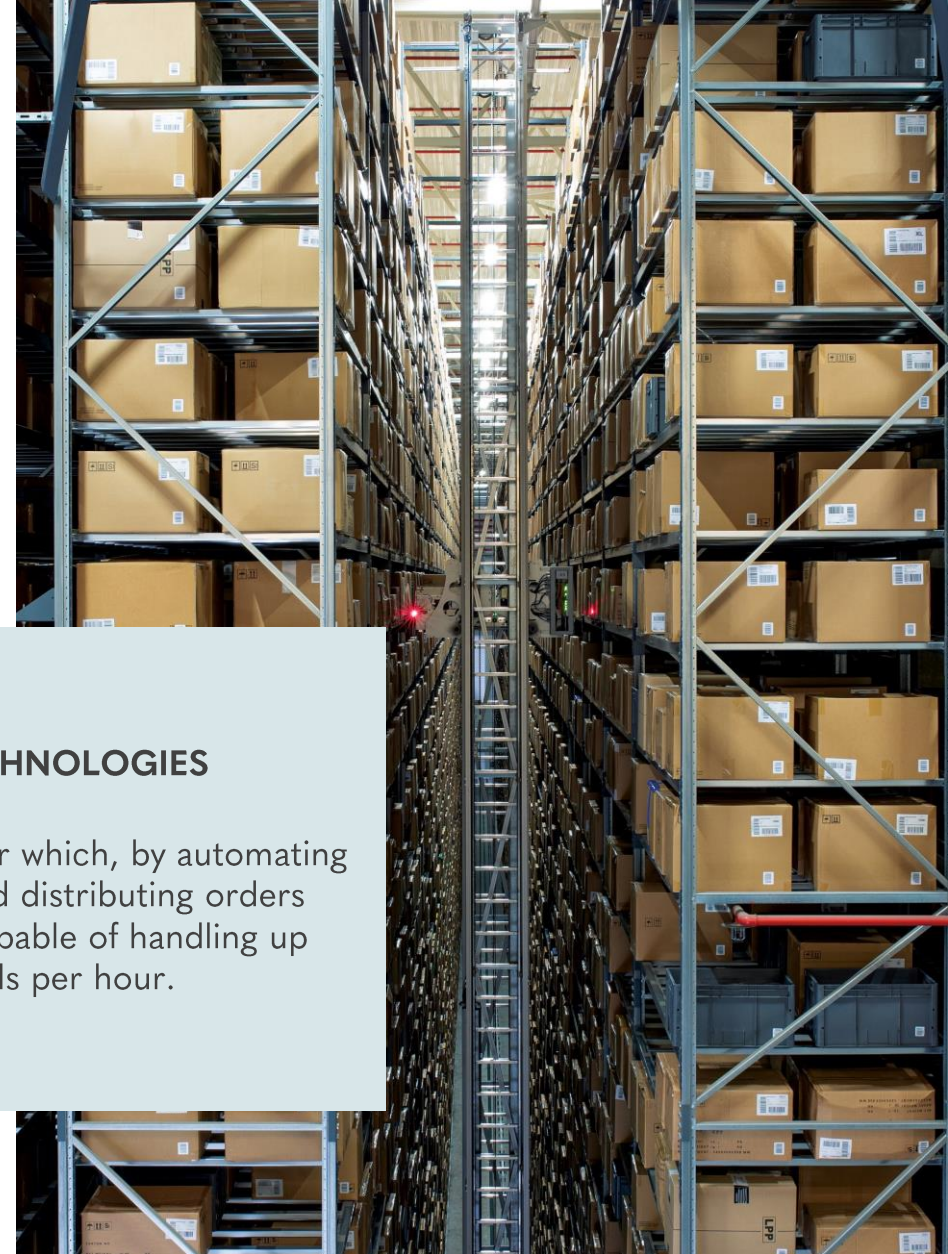
The new warehouse facilities use technologies, such as:

ARTIFICIAL INTELLIGENCE ALGORITHMS

- Management of goods in real time.
- Optimisation of the shipment delivery process. The system independently categorises, taking into account parameters such as specific lead times or courier collection times.

ADVANCED TECHNOLOGIES

The use of a shipping sorter which, by automating the dispatch process and distributing orders to specific carriers, is capable of handling up to 13,000 parcels per hour.



2024 + OUTLOOK

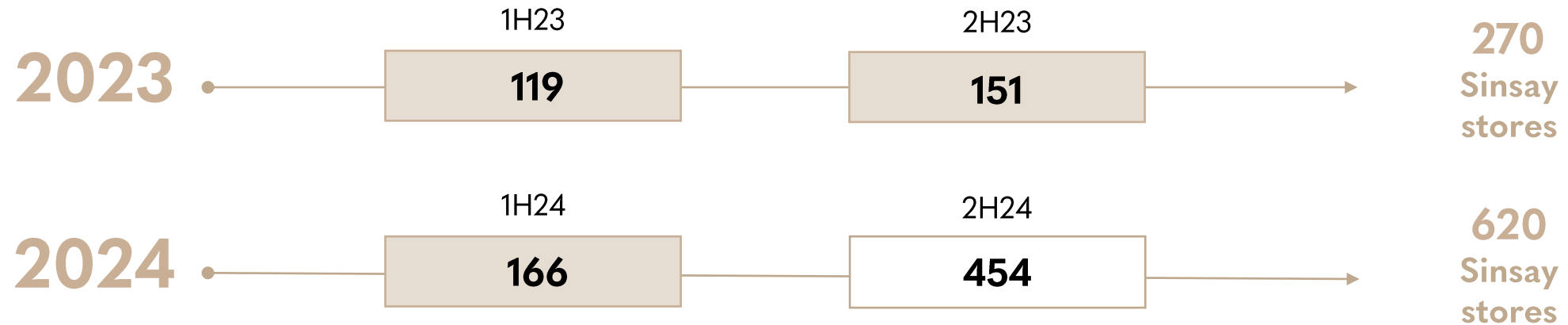


POSITIVE OUTLOOK FOR 3Q

- 32% YoY growth in the Group's revenue in constant currencies in the period from 1 August to 20 September 2024.
- Positive response to the Back to school and Autumn/Winter 2024 collections.
- Planned opening of 140 new stores of all brands in 3Q24.



DYNAMIC DEVELOPMENT OF SINSAY STORE NETWORK



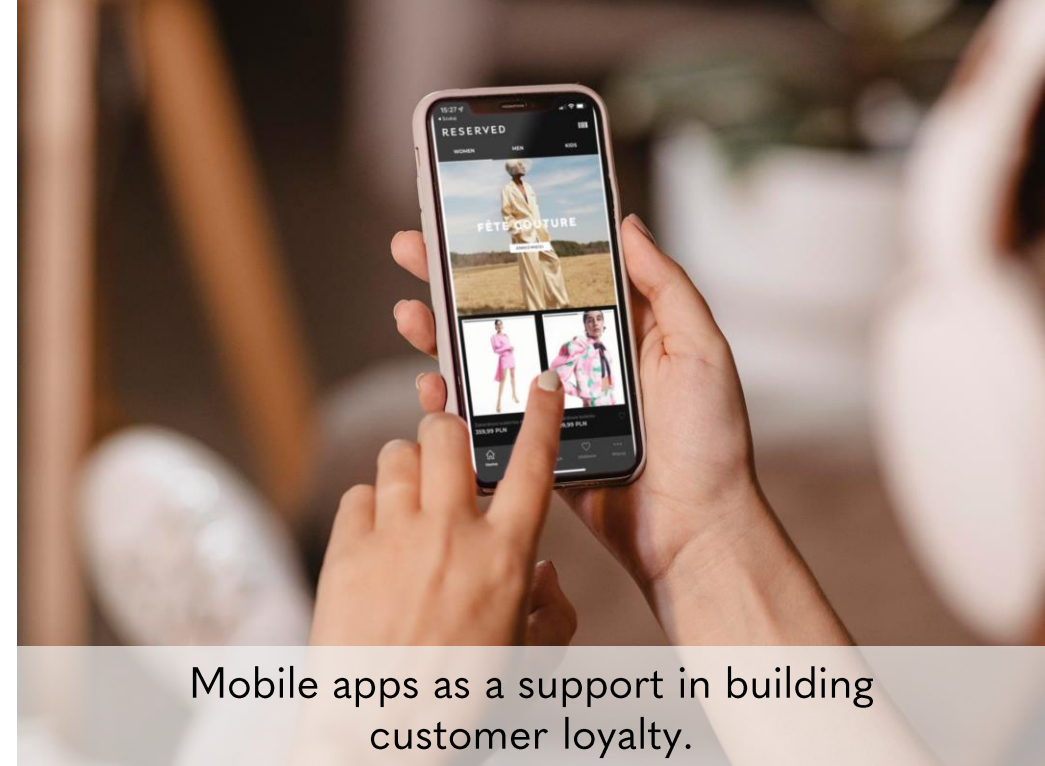
- Sinsay brand store openings in smaller towns, mainly retail parks.
- Highest store development in 2024 outside Poland in the countries of South and Central and Eastern Europe.
- In 2024, ca 25% YoY growth in floorspace.
- Target for 2025-2026: ca 20% annual floorspace growth.

Sustained plans of 620 Sinsay brand store openings (700 stores of all brands) in 2024, culmination of openings in 4Q24.

FURTHER DEVELOPMENT OF MOBILE APPS









The **Sinsay** app generates almost **70%** of online sales in markets where it is available. Mature countries like Poland and Romania account for as much as **80%** of the share.

In **Reserved**, the app generates ca **55%** of online sales. Very good response to the **Mohito** app in Poland and Romania.



Mobile apps as a support in building customer loyalty.

Availability of our apps:

	 POLAND	 CZECHIA	 ROMANIA	 SLOVAKIA	 HUNGARY	 GERMANY	 BULGARIA	 CROATIA	 UKRAINE	 GREECE
RESERVED	✓	✓	✓	✓	✓	✓	⊘	⊘	✓	
sinsay	✓	✓	✓	✓	✓	⊘	✓	✓	✓	✓
M O H I T O	✓	✓	✓	⊘						

✓ Presence as at 25.09.2024

⊘ Planned roll-out

2024 TARGET: GROWTH IN REVENUES

- Group revenues **PLN 20-21bn.**
- Gross profit margin on sales **52-53%.**
- SG&A/ revenues below 40% - maintaining cost effectiveness.
- Offline revenues - growth due to higher floorspace **+25% YoY** and positive LFLs.
- Online revenues – double-digit YoY growth.
- **PLN 1.5bn** capex, including PLN 1.2bn for stores.
- Safe debt level (no bond roll-over plans).



Q&A



LPP

31

2 Q24 PRESENTATION



GLOSSARY

Poland	Retail sales in Poland and other sales of LPP SA.
Other countries	Region including: CEE (Czech Republic, Slovakia, Hungary), Baltic (Lithuania, Latvia, Estonia), SEE (Bulgaria, Romania, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Northern Macedonia, Greece), WE (Germany, United Kingdom, Finland, Italy), Eastern Europe (Ukraine, Belarus, Kazakhstan) and activity in ME (Egypt, Qatar, Kuwait, United Arab Emirates, Israel, Saudi Arabia, Bahrain). Excl. Sales to Trade agents.
Revenues GK LPP	Total revenues of LPP GROUP
Omnichannel sales	Total of offline, online and other sales (excl. Sales to Trade agents).
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/ m²	Quarterly revenues of segment or brand / average working total floorspace/ 3.
Average monthly costs of own stores/ m²	Quarterly costs of own stores / average working floorspace of own stores (i.e., excluding all franchise stores which represent ca 1.8% of the working floorspace) / 3.
Average monthly SG&A PLN/ m²	Quarterly SG&A costs/ average working total floorspace excluding stores located in ME/ 3.
Inventory/ m²	End of period group inventory/ total floorspace without foreign franchise stores.
Cash turnover cycle	Receivables (in days) plus inventories (in days) minus liabilities (in days). Calculations on average amounts of receivables, inventories and liabilities.



CONTACT

LPP SA HQ

ul. Łąkowa 39/44, 80-769 Gdańsk
Tel. +48 58 76 96 900
Email: lpp@lpp.com

CONTACT FOR INVESTORS

E-mail: LPP.investor.relations@lpp.com

CONTACT FOR MEDIA

E-mail: media@lpp.com

 [discoverlpp](#)
 [company/lpp-sa](#)
 [discoverlpp](#)
 [discoverlpp](#)

